

Greater Edmonton Area



Quick Stats

5.9%

Overall Vacancy rate

0.4%

Year-over-Year Decrease in
Vacancy Rate

1.2m

New Q3 Supply

1.9m

Total space under construction

14

Number of properties in the
Greater Edmonton Market with
more than 150,000 sf available

Market Overview

Politically, the full impact of the newly elected UCP remains to be felt as they are taking time to establish their policies following the exit of the NDP. Nationally, the recently concluded federal election saw the Liberals obtain a minority government. Given that they will have to potentially rely on the other parties for support on policy, it will take time for material change to occur and start impacting the Canadian market for better or for worse.

From the energy sector, this quarter has seen several positive pipeline updates. In August, the Trans Mountain pipeline (TMX) received notice to proceed on mobilizing the workforce required to expand the pipeline.¹ With initial regulatory approvals completed, there is renewed optimism that the expansion should be completed by mid-2022. Also in August, the Keystone XL pipeline got final approval to go ahead with their expansion. However, they stated they would miss the 2019 construction deadline and would likely achieve completion sometime in 2021.²

Conversely, in part due to the delay of Enbridge's Line 3 replacement pipeline,

Alberta's oil curtailment program was extended by one year and is now set to end December 2020. The program was intended to end in 2019 alongside Line 3's completion, however, with continued delays and existing pipeline congestion, the decision was made back in August to continue the program.³ Additionally, the original amount curtailed was 325k bbls/d but has been subsequently lowered to 100k bbls/d.

Regarding oil, the price for Western Canadian Select (WCS) has remained flat year-over-year, increasing by just \$0.70 to \$41.93 as of October 2019.⁴ The Western Texas Intermediate (WTI) on the other hand has experienced a dramatic year-over-year drop by \$16.75, ending at \$54.01. Prices have also been performing worse than recent months, in part due to the Keystone pipeline oil spill that occurred in North Dakota last month which halted service for several weeks.⁵

1: <https://www.cbc.ca/news/canada/calgary/trans-mountain-construction-starts-notice-1.5254743>

2: <https://www.nationalobserver.com/2019/08/25/news/keystone-xl-pipeline-overcomes-one-last-major-hurdles>

3: <https://www.jwnenergy.com/article/2019/8/alberta-oil-curtailment-extended-end-2020-number-impacted-producers-reduced/>

4: <https://www.glipec.com/price-charts>

5: <https://globalnews.ca/news/6152789/keystone-pipeline-back-in-service-north-dakota/>

Greater Edmonton Construction Activity

While a number of large projects finished construction this quarter, with several other projects mid-way through development, few new projects were started.



Under Construction by Market

The Leduc/Nisku market continues to experience the most construction activity, primarily led by the 1,000,000-square-foot Amazon Facility.



New Supply by Market

A number of large projects were completed this quarter, with notables being the MTE Logistics Building, Aurora Polaris, and Champion Pet Foods.



STIHL Building Completion - Acheson, AB

Industrial Overview

From the industrial perspective, Edmonton is currently in a state of balance; tenants that require certain amenities within a space will have some options available to them, but those options will be limited and will likely demand market prices. That is to say, while market activity has slowed compared to past years there isn't an overabundance of vacant space or a lack of demand, meaning the market can be summed up as being healthy and stable.

In construction news, Aurora Cannabis completed their 300,000-square-foot (sf) Polaris facility that sits adjacent to their original 800,000 sf Sky Facility at the Edmonton International Airport. Another major completion was the 371,000 sf Champion Pet Foods building in Acheson. Polykar, a packaging manufacturer, announced back in September that they were going to build a new 50,000 sf manufacturing facility in the Discovery Business Park, located adjacent to the airport.

Within Edmonton, the 501,276 sf MTE Logistics Building was completed in the northwest quadrant of the city.

Notable Transactions

Address Submarket	Tenant	Size	Lease Type
10930 - 184 Street Northwest Edmonton	Emco Corporation	163,596 sf	Renewal
13431/61 - 149 Avenue West Edmonton	Alberta Health Services	88,849 sf	New
2308 - 8 Street Nisku	Thermo Design Engineering Ltd.	57,000 sf	New
4715/57 - 93 Avenue South Edmonton	KTN Edmonton Company	52,620 sf	New
1919 - 84 Avenue South Edmonton	Warren Valve Canada	48,599 sf	New



Artist rendering of Polykar's proposed facility in Edmonton, operations to begin in 2021. Edmonton Journal

Feature Listings



ELEMENT BUSINESS CENTRE 184 Street NW, Edmonton, AB

Available Two Buildings with units starting at 7,079 sf
Lease Rate
Additional 7 assigned stalls per unit



5804 - 51 AVENUE Edmonton, AB

Available Two 37,115 sf freestanding buildings on 5.19 acres
Lease Rate \$13.95 psf
Additional 28' clear height, 3 phase power, capacity for 10-ton crane capacity in drive-in bays



11355 - 261 STREET Acheson, AB

Available 44,248 sf freestanding building on 3.53 acres
Lease Rate \$12.00 psf
Additional 4,759 sf - Main Floor Office
4,094 sf - Second Floor Office
35,379 sf - Warehouse
44,248 sf - TOTAL



2308 - 8 STREET Nisku, AB

Available 9,600 sf shop with 1.6 acres, plus 20,000 sf fabrication bay with 1.4 acres
Lease Rate Dependent on area(s) leased, length of term, etc. (Can be leased separately)
Additional Two 10 ton bridges, each with two 5 ton hoists (28' under hook), 52' clear span
One 2-ton jib crane

Market by the Number

	Total Inventory	Direct Vacancy	Sublease Vacancy	Vacancy Rate	Vacancy Direct	Vacancy Sublease	Serviced Land Cost
CITY OF EDMONTON							
South/Southeast	53,392,207	3,497,521	154,971	6.8% ▲ 0.1%	6.6% ▲ 0.5%	0.3% ▼ (0.3%)	\$650,000 - \$800,000
Northwest	60,714,165	3,364,320	201,460	5.9% ▼ (0.8%)	5.5% ▼ (0.7%)	0.3% ▼ (0.2%)	\$625,000 - \$725,000
Northeast	6,809,847	118,577	6,000	1.8% ▲ 0.2%	1.7% ▲ 0.1%	0.1% ▲ 0.1%	\$525,000 - \$650,000
Central	3,959,926	130,154	-	3.3% - -	3.3% - -	- - -	-
SURROUNDING DISTRICTS							
Acheson	8,245,536	175,643	45,370	2.7% ▼ (3.1%)	2.1% ▼ (1.3%)	0.6% ▼ (1.8%)	\$400,000 - \$575,000
Sherwood Park	6,365,000	379,153	11,874	6.1% ▼ (0.2%)	6.0% ▲ 0.1%	0.2% ▼ (0.2%)	\$650,000 - \$750,000
Nisku/Leduc	17,976,193	1,181,806	63,385	6.9% ▲ 0.1%	6.6% - -	0.4% ▲ 0.2%	\$450,000 - \$650,000
TOTALS							
City	124,876,145	7,110,572	362,431	6.0% ▼ (0.3%)	5.7% ▼ (0.1%)	0.3% ▼ (0.2%)	-
Surrounding	32,586,729	1,736,602	120,629	5.7% ▼ (0.8%)	5.3% ▼ (0.4%)	0.4% ▼ (0.4%)	-
Overall	157,462,874	8,847,174	483,060	5.9% ▼ (0.5%)	5.6% ▼ (0.2%)	0.3% ▼ (0.3%)	-

	Southeast		Northwest		Northeast		Leduc/Nisku		Sherwood Park		Acheson	
Net Asking Rent By Bay Size:	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding	Multi - Tenant	Freestanding
0 - 5,000 sf	\$10.00	\$10.75	\$10.75	\$14.00	\$9.50	\$12.00	\$12.25	\$14.00	\$14.25	\$15.00	\$11.00	\$14.00
5,001 sf - 10,000 sf	\$9.50	\$12.50	\$9.75	\$11.00	\$9.00	\$10.00	\$11.25	\$14.00	\$12.25	\$15.00	\$10.00	\$14.00
10,001 sf - 20,000 sf	\$9.75	\$10.00	\$8.50	\$9.50	\$8.50	\$10.00	\$12.75	\$12.75	\$12.50	\$14.75	\$9.50	\$11.50
20,001 sf - 50,000 sf	\$9.00	\$9.50	\$8.00	\$9.50	\$7.50	\$10.00	\$13.00	\$13.00	\$14.00	\$8.00	\$9.00	\$13.00
50,001 sf & Up	\$8.00	\$7.50	\$8.00	\$6.50	\$6.50	\$8.00	\$13.00	\$15.00	\$11.50	\$6.50	\$9.00	\$10.00

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